

Message Text

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45

ORIGIN ARA-10

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /099 R

DRAFTED BY ARA-LA/EP: JAALLITTO:GFH

APPROVED BY ARA - JOSEPH GRUNWALD

----- 023193

R 151443Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY QUITO

C O N F I D E N T I A L STATE 175143

E.O. 11652: GDS

TAGS: ENRG, EC

SUBJECT: TEXACO-GULF AND QUOTE RUTH UNQUOTE

REF: STATE 163821

1. NESTOR ORTIZ (GULF OIL DIRECTOR FOR INTERNATIONAL AFFAIRS) TOLD DESK OFFICER JULY 13 GULF HAD DECIDED TO FILE CONVERSION SUIT JULY 15 OR 16 IN WHICH GULF WOULD CLAIM ECUADOR CONVERTED GULF'S PROPERTY (QUOTE RUTH UNQUOTE CARGO) TO ECUADOR'S USE WITHOUT COMPENSATION. ORTIZ SAID REASON FOR SUIT WAS SO MARK RICH WOULD BE UNABLE TO MAKE DEALS WITH QUOTE RUTH UNQUOTE CARGO. GULF BELIEVES ATLANTIC RICHFIELD (ARCO) MAY HAVE GOTTEN ATTACHMENT BOND FROM RICH, AND SUIT WILL MEAN ARCO WILL PUT MONEY INTO BLOCKED ACCOUNT INSTEAD OF PAYING RICH. SITUATION FURTHER COMPLICATED BY RUMOR THAT A SWISS BANK HAS ALREADY AGREED TO PAY ECUADOR. ORTIZ HAD NO ADDITIONAL INFORMATION ABOUT RUMOR.

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2. ORTIZ SAID TEXACO WOULD DECIDE JULY 14 WHETHER OR
NOT IT WOULD FILE SUIT.

3. ORTIZ ALSO SAID GULF BELIEVED TEXACO WOULD MEET WITH
MINISTER OF NATURAL RESOURCES VARGAS JULY 20 TO HEAR

GOE'S LATEST PROPOSAL, BUT GULF SOURCES IN ECUADOR
REPORTED VARGAS HAD NOTHING TO PROPOSE AS OF JULY 12.

KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, COMPENSATION, LITIGATION
Control Number: n/a
Copy: SINGLE
Draft Date: 15 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ullricre
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE175143
Document Source: CORE
Document Unique ID: 00
Drafter: LA/EP: JAALLITTO:GFH
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760273-0449
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760754/aaaabvog.tel
Line Count: 71
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 STATE 163821
Review Action: RELEASED, APPROVED
Review Authority: ullricre
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 19 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 JUL 2004 by SmithRJ>; APPROVED <04 NOV 2004 by ullricre>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TEXACO-GULF AND QUOTE RUTH UNQUOTE
TAGS: ENRG, EC, TEXACO-GULF
To: QUITO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006